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USDA

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Hearing Clerk, USDA
Room 1081-S
Washington, D.C.
20250-9200

Regarding: Docket Numbers AO-370-A7; FV00-930-1; Federal Register, volume 67, number 16, 1/24/02, pages 3540-3572--proposed amendments to the tart cherry federal marketing order

As Oregon growers of tart cherries we have noted a decline in producing acres and production during the life of the order since the period of promulgation. The number of processors of the crop has also declined from a handful to only two.

In one respect, this means our state has been doing its part to control overproduction of the crop without the supply-control provisions of the order, from which we are currently exempt. On the other hand, it seems clear that, for this small and remote producing area, the order has failed to produce the stability, orderly marketing or profitability its proponents promised.

As we predicted at the time of promulgation, now that severe production restrictions and bureaucratic compliance mechanisms have failed to produce the promised outcome of profitability, proponents wish to delay the order's mandatory continuance referendum while they attempt to impose its supply-control provisions on the minor producing regions that have already cut production.

Based on data provided by the Oregon Agricultural Statistics Service, we note a few interesting facts:

> The annual farm gate value of utilized production of Oregon's tart cherry crop is usually less than $1 million.

> In 2001, the value of the crop amounted to $591,000. Going after small producers like Oregon with the full force of federal law appears to mimic controlling fleas with a slegehammer.

> The annual farm gate value of utilized production for the entire U.S. crop appears to hover at a little over $50 million. Since the approved budget for the CIAB board that administers the order is $552,000, that means more than one per cent of the value of the crop is consumed in a failed attempt to regulate it.

The original order exempted minor producing regions from its supply-control provisions for good reason: The CIAB would end up wasting money regulating something that would have little net impact on the overall market situation. While we still believe the order should retain its 15 million pound threshold for regulation, we are grateful to the USDA for preserving a 6 million pound threshold to protect minor producing states like Oregon.

As an aside to the amendment issues, we must also express a certain sense of outrage that paid staff of the CIAB have been distributing talking points to selected producers they deem sympathetic to their amendments.

Political or lobbying activity intended to change the order should be initiated by entities independent of the board and the employees charged with administering the order. Anything less smacks of conflict of interest.

It has been clear during the life of the CIAB that the organization has no qualms about speaking for "the industry" in thinly veiled attempts to violate the firewalls built into the order--protections that were agreed to by proponents at the time of promulgation.

Considering the fact that the CIAB has become a half-million dollar enterprise--while failing to deliver on its promise of profitability--it's easy to wonder how much the proposed amendments and the delayed continuance referendum have to do with "fairness" and how much they have to do with saving paid staff's jobs.

Sincerely,

Phillip J. Walker, Managing Member